

## Letter and enclosure from Alexander Graham Bell to Charles J. Bell, January 22, 1917

1917 January 22 Mr Charles J Bell Trustee of the A E A Dear Mr Bell:—

Your note of January 20 received, enclosing a letter from Mr McCurdy dated January 17 in which he makes, for the Curtiss Aeroplane Company, a definite offer of \$4,000 cash \$25,000 in preferred stock and \$25,000 in common stock of the Curtiss Aeroplane and Motor Corporation for the A E A patents. In your note you say: "As you are the more largely interested in the matter than anyone else, from a financial point of view will you not advise me what your wishes are".

I had an interview with you yesterday upon the matter, during which I returned to you Mr McCurdy's letter and explained informally my views.

I stated that it seemed to me, in relation to the A E A patents that there were only three courses open to us to pursue:—

1. To do nothing.
2. To sell the patents to the Curtiss Company, or
3. To sell the patents to some company opposing the Curtiss Company.

I explained that I did not wish to place the 2 patents in the hands of persons who might use them to the detriment of our associate Mr Glenn A Curtiss; and would prefer doing nothing to the adoption of that plan. It would therefore be more in consonance with my wishes, I said, if you as Trustee could make some arrangement with the Curtiss Company that would seem to you to be equitable all round.

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You are the best judge as to what this arrangement should be, and I can only here express my own ideas as to what would be right and equitable in the matter.

1. That the Curtiss Company should repay in cash the amount actually expended in obtaining the AEA patents and defending them.

2. That in addition the Curtiss Company should pay in the form of stock or bonds or other forms of obligation an amount at least equivalent to \$35,000 at market prices as \$35,000 in cash was expended in the support of the AEA.

1. There are three AEA patents, one in the name of Baldwin, one a joint patent, and one a patent in my name. The amount to be paid in cash should include the expenses incurred in taking out these three patents. Then, after the patents had been granted we were involved in an interference that had been declared by the patent office between a pending application of Dr Myers and our joint patent: this interference was subsequently dissolved in our favor. The expenses incurred in defending the joint patent should also be repaid in cash.

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Mr McCurdy, on behalf of the Curtiss Company offers \$4,000 in cash as an equivalent for all these expenses, but I am convinced that in this matter he has grossly underestimated the amount contributed by myself and the other associates for these purposes. The total amount, whatever it was, was contributed as a loan to the Association to enable it to secure the patents, and it was understood that the amount expended would constitute a first lien against the Association when it came to dispose of its patents to be repaid before the distribution of the property.

Under these circumstances I think it would be well to ascertain from Messrs Mauro, Cameron, Lewis & Massie, our Patent Attorneys, a statement of the exact amounts that have been paid to them for taking out the patents and defending them. It would only be

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equitable I think that the Curtiss Company should repay the total amount, whatever it may be, in cash.

2. Mrs Bell contributed in cash \$35,000 to support the experimental work of the Association and the arrangement was made that when the proceeds of the patents came to be divided among the Associates she should receive 35 per cent of the proceeds to be divided and each of the AEA members should receive 13 per cent.

The Curtiss Company offers \$25,000 referred stock and \$25,000 common stock, which would be divided between the Associates and Mrs Bell in the proportions agreed upon. What the actual value of this stock may be I do not know; but I am under the 4 impression that it is purely speculative stock which may ultimately be valuable, or on the other hand may be worth nothing at all.

Considering the fact that the AEA expended \$35,000 in cash for their experimental work it seems to me that the amount of stock or other securities given by the Curtiss Company should have a cash value of at least \$35,000 : That is that the shares, &c, given should be worth that amount at least at present market prices. I have no idea as to the present market value of the Curtiss Company shares but simply give you my idea of what the equitable arrangement should be.

Yours sincerely, (Signed) ALEXANDER GRAHAM BELL

American Security & Trust Co Washington D C January 20 1917 Dr Alexander Graham Bell My dear Mr Bell:—

I enclose herewith a letter just received from Mr McCurdy in which he now makes, for the Curtiss Aeroplane Company, a definite offer of \$4,000 cash, \$25,000 in preferred stock and \$25,000 in common stock of the Curtiss Aeroplane and Motor Corporation for the A E A patents, and states in his letter that he and Mr Curtiss believe the offer should be

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accepted. As you are the more largely interested in the matter than anyone else, from a financial point of view, will you not advise me what your wishes are.

As I have informed you before, the Curtiss Company is by no means in strong financial condition, but it is quite possible that if the war keeps up a complete change in their affairs might take place and their stock become valuable, so that there is a speculative possibility. I have written Douglass telling him that I would reply to his letter on Monday, so if you will telephone me sometime tomorrow afternoon when you can see me, we might talk the matter over.

Yours faithfully, (signed) C J BELL

Copy January 17th. 1917. Mr. Charles J. Bell, American Security & Trust Coy., Washington, D. C. My dear Mr. Bell:—

I have just received a communication from Mr. Graham Bell, being more or less a copy from his home notes, which gives me to understand that you did not fully comprehend the proposition which I made you during my recent trip to Washington — I beg therefore to put it in writing and would be glad to hear from you at your earliest opportunity what your decision in the matter is. My proposition was as follows —

The Curtiss Aeroplane & Motor Corporation offers to purchase from you as Trustee of the A. E. A. the various patents taken out on behalf of the Association. They offer in exchange, the amount of money in cash which was expended by the various members of the Association in securing these patents amounting to approximately \$4000.00, and also to transfer to you as trustee \$25,000 par value of Curtiss preferred, and 250 shares of the Curtiss common.

I understand that your counter proposition to me was that you would not be in a position to accept any exchange for these patents in Curtiss stock, either Common or Preferred, but, that you would demand either a cash payment of \$75,000 or, a deferred payment

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guaranteed by a note from the Company, payable in six — twelve, or eighteen months for this amount — In this regard, I beg to advise that the Curtiss Company do not feel themselves in a position to pay, or, obligate themselves to pay any more cash, than the before mentioned \$4,000

It seems to me that if these patents are to be of any value, that they should aid in making the Curtiss Company more valuable, and a just return would be derived from the increased value of the stock, and I, to-gether with Mr. Curtiss, speaking as Members of the now defunct Association, feel that the above offer is fair and just.

Very sincerely yours,